
EFFECTIVE

April 1, 2020.

Subject(s)

- Administrative recoupment is now benefit withholding.
- An agency error is a type of overpayment or underissuance resulting from an incorrect action or failure to take action by the state agency.
- A claim is an amount owed to the State of Michigan because of benefits that were overpaid or trafficked.
- A client error is a type of overpayment or underissuance resulting from inaccurate reporting on the part of the household. The establishment of a client error does not rule out the possibility of a future finding of intentional program violation.
- Discovery date is the date when a claim is known to exist, and the amount of the claim can be reasonably determined.
- **Exception:** The discovery date for a trafficking-related claim and any other claim not already established in Bridges as a client error is determined by the individual's signed and dated repayment agreement, administrative hearing decision, or court order. For any claim established as a client error but then later converted to an IPV, the discovery date does not change upon conversion to an IPV.
- The establishment date for an overpayment is the date a claim is created in Bridges.
- Intentional program violation consists of having intentionally:
 - Made a false or misleading statement, or misrepresented, concealed or withheld facts.
 - Committed any act that constitutes a violation of FAP, FAP regulations, or any state statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing, or trafficking of FAP benefits or EBT cards.

- An overpayment is the amount of benefits issued to the client, household, or provider in excess of what the recipient(s) was/were eligible to receive. For FAP benefits, an overpayment is also the amount of benefits trafficked or attempted to be trafficked.
- Recoupment is identification, establishment, and recovery of benefit overpayments.
- A repayment agreement is an agreement approved by MDHHS containing the terms of repayment by the debtor.
- A sanction is a penalty imposed resulting from a failure to follow program rules.

Reason: Terminology update.

**MANUAL
MAINTENANCE
INSTRUCTIONS**

Changed Items ...

[BPG GLOSSARY](#)